

government prove an ineffective instrument for genuine popular service.¹ But if carefully chosen this difficulty need excite no apprehension, as it is not probable that any established town (especially with important local manufactures and staple trades) will ever be so diminished in resources, within the compass of the loans' currency, by a fall in the rateable values of the properties which secure the advances (from loss of vigorous trade or migration elsewhere) as to engender doubt. And even were this a practical possibility in any case, the trade and population must settle elsewhere, and by a judicious distribution of these investments the augmented prosperity of the one will help to repair any reduction in the stability of the other. I have already submitted a comment upon the advisability of excluding short-dated bonds ; and particularly in bonds of comparatively brief currency, do not purchase, as I have advised, above par (that is, where the price exceeds £100, the capital value), since the premium will be lost on redemption.

A Corporation Stock has occasionally declined to a very low price on account of disclosed financial irregularities and corruptions in the methods and conduct of administration. An investor is tempted to purchase on the ground of this diminution of value, and the presumption that the publicity given to the acts of bad faith or incompetency will prevent a recurrence of any similar mischief hereafter. And in support of this view he generally, I find, adduces the supposed analogy (which in some way has become current) that if in a fight at sea a hole is made in the side of a vessel by the enemy's shot, that hole is the safest place in which to insert one's head for immunity, as it is improbable, to the extent of virtual impossibility, that another shot will enter by the same avenue. Here is another of the assumed parallel instances whose adoption in another sphere of action is usually attended by disaster. Assuming, as apparently is the case, that the shots with whatever intention will be fairly evenly directed to the injured vessel's side generally, the probability seems to be that the hole would count like any other equal circular uninjured part and be

as subject to repetition of a blow. And in making his assumption

¹ For the strain is not felt in the fervid period of borrowing; the test of productive expenditure is to come.